

Green Bond Fact Sheet

Electrolux		Date: 23/07/2019	
Issue date: 27-03-2019 Maturity date: 27-03-2024 Tenor: 5			
Issuer Name	Electrolux	Amount Issued	SEK1bn/USD107.8m
Country of risk	Sweden	CBI Database	Included
Issuer Type ¹	Non-financial corporate	Bond Type	Senior unsecured
Green Bond Framework	Link to framework	Second party opinion	CICERO
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input checked="" type="checkbox"/> Solar <input checked="" type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input checked="" type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input checked="" type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input checked="" type="checkbox"/> Energy performance	<input checked="" type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Flood protection <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Waste management	<input checked="" type="checkbox"/> Recycling <input checked="" type="checkbox"/> Waste prevention <input checked="" type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input type="checkbox"/> Land remediation <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> FSC Forestry <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> FSC Cellulose & paper
<input checked="" type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input checked="" type="checkbox"/> Industry: process
Issue details	
Reporting	<p>An annual Green Bond Impact Report will be published including the following:</p> <ul style="list-style-type: none"> • the total amount of Green Bonds that have been issued by Electrolux which are outstanding • a description of the portfolio of approved Eligible Green Assets that have been financed using the net proceeds of the Green Bonds (including the amount allocated to each Eligible Category) • a description of the Eligible Green Assets including allocated amounts and their main environmental benefits • information about the split of Green Bond proceeds between new assets and re-financing • the total amount of unallocated Green Bond proceeds (if any) • where possible, quantitative descriptions of the environmental benefits of the Eligible Green Assets as well as description of any Eligible Green Assets which involve fossil fuels.
Company information	<p>Electrolux is a Swedish appliance company. Based in Stockholm, it manufactures and sells household and professional appliances such as refrigerators, dishwashers and small domestic appliances. Operating globally through multiple brands Electrolux employs 54,000 people and is publicly traded. Sustainability is embedded in their core business. Therefore, Electrolux acknowledges the significance of these appliances beyond simply the use and views them as a means to make households more sustainable.</p>
Firsts, records and certifications	
Proceeds description	<p>The proceeds of the bond can be spent on eligible projects in the following categories, relating to four of Electrolux’s nine sustainability promises. a) to c) include the financing of research, development and equipment of that particular purpose:</p> <p>a) Improve product performance and efficiency, which relates to reducing the environmental impact (energy and water consumption) resulting from the use of products. Eligible R&D projects will aim to improve the energy efficiency (weighted average) at least 15% compared to the average of current products produced for a specific market.</p> <p>b) Make better use of resources, which relates to improving the efficiency of materials that the Group uses and increasing the use of recycled materials. Eligible Green Assets in this Eligible Category should result in material compositions with at least 25% recycled material in the matrix, and Eligible Green Assets relating to R&D should have the target to achieve the same result.</p> <p>c) Eliminate harmful materials, which relates to phasing out substances that could have a negative impact on health and/or the environment including refrigerants and foam blowing agents with high greenhouse warming potential. The proceeds will go towards investments in R&D with a view to eliminating refrigerants and foam blowing agents with a GWP which is higher than 15 CO₂eq.</p> <p>d) Achieve more with less, which relates to reducing the impact from the Group’s operations on the environment related to energy, water, waste and emissions. In particular</p>

	<p>this means investments in buildings or in equipment that will reduce the environmental impact from the Group's operations (factories, warehouses and offices).</p> <p>e) Climate targets, which relates to reducing greenhouse gases produced by the Group (factories, warehouses and offices) through the generation of renewable energy such as geothermal energy, wind power, solid or gas bio-based energy, solar panels (collector) or photovoltaic panels.</p> <p>Electrolux does not exclude financing or re-financing of processes using fossil fuel-based energy generation in the case that either the percentage is smaller than 5% or a technically and economically viable solution for renewable energy does not exist.</p>
Climate Bonds view	<p>Having sustainability incorporated in their core strategy, it is great to see Electrolux issuing their first green bond and covering a broad range of eligible categories ranging from energy and green buildings to waste management. They are the second green bond issuer in Sweden in the consumer discretionary industry (of roughly 40 issuers in total) and therefore set a good example.</p>
Underwriters	Skandinaviska Enskilda Banken
Deal comments	
Credit Rating	A- (S&P)
Pricing summary	<ul style="list-style-type: none"> • Interest spread: ms+68bps • Yield: 1.103% • Coupon: 1.103% • Price: 100%
Investors summary	

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign